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April 11, 2006

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street & Constitution Avenue, N.W.
Washington, D.C. 20551

Re: **FRB Docket No. OP-1246**; Proposed Interagency Guidance on Concentrations in Commercial Real Estate; 71 Federal Register 2302; January 13, 2006

Dear Ms. Johnson:

I am writing with my concern about the proposed interagency guidance on Concentrations in Commercial Real Estate. I feel if this proposal is accepted it will be detrimental to the community banks and our economy.

Commercial real estate loans have helped the community banks grow significantly. My institution has seen this growth over the last few years. It has been a very positive impact for us. Limiting the commercial real estate loans to 100% of capital could very well threaten the existence of community banks.

I disagree with the idea the commercial loans secured by real estate present more of a risk than those not secured by real estate. Most of these loans are made with a loan-to-value ratio of 75% or less. The property value would have to fall dramatically before a risk will be present. The risk should vary depending on the type of commercial loan. I feel it is unfair to view them all with having the same risk because they do not.

It would be a misfortune to impose this burden on all banks just because of a few problem banks. It would negatively impact the community banks and their economies.

Please carefully consider the consequences if this proposal is accepted. Your re-evaluation of this proposal would greatly be appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Natalie N. Binder".

Natalie N. Binder
Vice President/Controller